

Is the current economic crisis capitalism crisis or ours?

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Capitalism and its Media have always worked on confusing and deceiving us by introducing reactionary movements, events and experiments as a revolution, that in fact benefit the system rather than us.

For almost a century the Media outlets tried to sell state capitalism to us as socialism. They called Russian bourgeois society a socialist society, for about forty years they tried to tell us what happened in Iran was a revolution. And recently they tried hard to convince us what happened in some of the Arab countries was the “Arab Spring” or “Arab Revolution”. The same applies with regards to an economic crisis. For more than 150 years we have been told that these crisis were capitalism crisis not us. They tell us this to confuse and deceive us as if the capitalists in general have to pay the price, not us. So we should think this crisis is nothing to do with us and we should believe that it is business as usual.

Many of us cannot form our opinions and analyse things independently and think freely. In other words, we are influenced by the Media. We also think by the brain of somebody else, so that much of our thinking and analysis of issues like economics, politics and social issues are shaped by the Media, famous people and academics that write or talk about them.

During his time, Karl Marx noticed that in the future the duration gap between the crises will get shorter and the crisis time will get longer. However, the whole crisis, whether it remains for a short or a long time has never been the crisis of a capitalist system. It has always remained our crisis. It was us who paid the price by losing our job, consequently becoming homeless as well. We lost many of the achievements that we gained before, and then we became weaker and weaker. It was the capitalism system which escaped the crisis and emerged stronger than before by reorganising itself in a new form and beginning to attack to us.

Although I believe Marx's entire political theory failed and some parts of his economic theory are questionable, for the problems of his economic theory, he should not be blamed at least for a couple of reasons. First his analysis of the economy in general, especially after the second half of last century onwards, working class and the system, should not be expected. At his time the capitalism system compared to the present one was very weak but the working class movement was more united and stronger than now. Second we should not look to Marx as a God or at least a fortune teller to see his doctrine is correct for now and the future as a medicine for our present

sickness. Whoever thinks about Marx this way, is not only unfair to and insulting him, but in fact, him/herself is a parrot just using a brain of somebody who died a long time ago rather than thinking by his/her own brain.

In this article, I am only relying on evidence, statistics on one hand and the current economic, political and social situation under this crisis on the other hand.

I believe it was us that built this system not capitalists; it is us that created money, wealth, capital and everything else. Meanwhile it is us that can live without money, the capitalism system, in a society free of private ownership and power of authority. It is us managing and maintaining every cell in society while capitalists never without using our power, our workforce alone can even make one simple thing, and carry on their normal life and manage maintaining this system even for a minute. It is us actually producing everything, but it is they who benefit. In short it is us all the time holding this system not the capitalists and elites, therefore, whenever and wherever the system became faulty and problematic, it will be us who will be at a disadvantage and pay the price.

What is the economic crisis?

The Oxford Dictionary definition for the economic crisis is “A situation in which the economy of a country experiences a sudden downturn brought on by a financial crisis. An economy facing an economic crisis will most likely experience a falling GDP, a drying up of liquidity and rising/falling prices due to inflation/deflation. An economic crisis can take the form of a recession or a depression. Also called real economic crisis”

The definition of Google for economic crisis is “ A downturn is part of the economic cycle (sometimes referred to as trade cycle or business cycle) The UK definition of a recession is – negative economic growth for two consecutive quarters. The definition of an economic downturn is less strict than a recession”.....” A situation in which the economy of a country experiences a sudden downturn brought on by a financial crisis. An economy facing ... some financial assets suddenly lose a large part of their nominal value”

Many economists believe the current crisis is the worst the world has seen since the great Depression of 1930s.

For Marx “Capitalism IS an economic system that is inherently crisis-prone. It is driven by forces which cause it to be unstable, anarchic and self-destructive”

Marx with Frederic Engels described capitalism in the Communist Manifesto as “a society that has conjured up such gigantic means of production and of exchange, [that it] is like the sorcerer, who is no longer able to control the powers of the nether world whom he has called up by his spells.” A few questions here are coming up: Has that really happened? The sorcerer no longer controlled the power? When and where after 170 to 180 years we have seen that?

Elsewhere Marx argues that crises “carry the most frightful devastation in their train, and, like an earthquake, cause bourgeois society to shake to its very foundations.” Have we really seen bourgeois society shake to its very foundation?

Whatever the definitions of the crisis, this crisis happened and continues although the apologetic capitalists repeatedly say there will be no more “bust and slum”.

For Marx the causing of the crises are over-production, under-consumption, lack of purchase power and disproportion.

And the only solution from Marx and Engels for the above was democratic economic planning–socialism: “If the producers as such knew how much the consumers required, if they were to organize production, if they were to share it out amongst themselves, then the fluctuations of

competition and its tendency to crisis would be impossible. Carry on production consciously as human beings—not as dispersed atoms without consciousness of your species—and you have overcome all these artificial and untenable antitheses. But as long as you continue to produce in the present unconscious, thoughtless manner, at the mercy of chance...crises will remain; and each successive crisis is bound to become more universal and therefore worse than the preceding one; is bound to impoverish a larger body of small capitalists, and to augment...the numbers of the class who live by labour alone”

There is no doubt that the chaotic form of production of the capitalism system and private ownership contradict with workforce of production. This brings crisis with itself which in the end brings disaster to the vast majority of us on one hand and accumulate the huge amount of capital in the hands of a tiny minority on the other hand.

If the causes of crisis is due to over-production and this causes the stagnation of economic, then at present time this ‘reason’ is questionable for me. At present because of the new technologies this problem to certain extent can be resolved by reorganising, making plans in advance before the stagnation starts in the market. No doubt nowadays any major company can find a huge amount of information within second, by using one click they can work out anywhere in the world where they have a branch how much goods, are sold, the profit and loss, the boom period for that particular branch, the number of customers they have, how many workers they have, their work conditions and their performances, and much more. Obviously things have changed very much since when Marx was alive, so they can gather all the above information in a matter of minutes. This may be a reason nowadays as to why the crisis is financially rather than the crisis of the business and trades, although it always ended up with the economic crisis.

However, here I am not attempting to find the causes of crisis but the influences and the implementation of crisis on the vast majority of us. It is true that from here to there a few capitalists, a few companies, banks will be bankrupted or even collapse but whatever happens, the system in general is intact and safe. It looks like an earthquake that comes and goes damaging some area but the rest of the world will remain undamaged.

We usually do not know much about the crisis or we do not feel it until the governments impose the austerity policy.

Imposing the austerity policy:

What has been so far introduced to us as capitalism’s crisis, in fact, was neither the crisis of capitalists nor the crisis of the capitalist system. When there are competitions and struggles between the varieties of the corporations, companies happen to cause bankrupting or collapsing some of them. In this situation capitalism through its nation states via its political representative, the parliamentary system imposes austerity on nation and citizens. Their justification for that, as they say, are the economic, is very bad, that without taking a serious measures the entire economy in the country even in the Continent will collapse then we will lose everything.

With this justification their vicious attack from privatising, selling the state ownerships and assets, reducing wages and pensions, sacking workers, reducing and cutting benefits, increasing working hours, imposing the worse work condition, putting up the prices of everything starts, to increase the rent, closing down the public services, forcing the worker to accept any shit jobs while there are millions unemployed in the market.

Austerity, as all of us know, brings so many more problems, like making the unions and working movement much weaker, decreasing corporation tax, increasing crime, racism and fascism,

extending the hospital waiting list, homeless and homelessness list and list of eviction and repossessions usually go up.

The crisis situation for which the austerity is imposed brings us terrible packages which we are the only losers. It stays with us and it will be our crisis until we will be completely aware and conscious about the situation and understanding fully of its causes. Unless we rise up against it by organising ourselves and work collectively to reject the parliamentary system, using direct action and direct democracy to bring back the power from the corporations and their political representative, the government, our crisis will continue and worsen.

In the absence of the above, this system will remain and the economic crisis will stay with us for a long time as well. History has shown us that after each economic crisis the capitalist system became stronger than before by organising itself better and becoming more efficient. Just looking back after the Great Depression what happened in the end of 1920s we can see instead of revolution, in fact, capitalism emerged so strongly it managed to launch WW2. Once the war was over again it managed to create so many small, big, short and long wars: civil wars, religious wars, nationalist wars in so many countries. No doubt these wars made the movement of people weaker and the system much stronger.

If we look at the current crisis closely on the World level and its impact on us we can start from the Oxfam report of 19/01/2015 that says half of global wealth held by 1%. The report shows that the share of the world's wealth owned by the best-off 1% has increased from 44% in 2009 to 48% in 2014, while the least well-off 80% currently own just 5.5%. And also the report added that on current trends the richest 1% would own more than 50% of the world's wealth by 2016. The report mentioned that last year, 2014, the 85 richest people on the planet have the same wealth as the poorest 50% (3.5 billion people).

In separate research the Equality Trust, which campaigns to reduce inequality in the UK, found that the richest 100 families in Britain in 2008 had seen their combined wealth increase by at least £15bn.

In this crisis in Europe the riches, the bankers and the companies are getting richer and making more profits while this crisis for us is getting deeper and making us poorer. We see the rate of unemployment has increased. For instance : In Italy the rate of unemployment rose to 12.4%, in Portugal 13% in France 10.5 % in Greece 25.6%, In Ireland 9.7%, in Germany 4.8%, in Spain 22.7% in UK 5.4% and in US 10.3%. The unemployment rate among the young people is much higher; for example, in Greece it is 56%, in Spain 53.5%, in Italy 43.9% and in Croatia 45.5%. According to Joseph Stiglitz, the former deputy of the World Bank, the rate of unemployment among the young African Americans between 17 and 20 years old who have graduated from high school but not enrolled in college is over 50%.

Although a few of the Banks and big companies have been bankrupted or collapsed, the vast majority of them have benefited from the current crisis. Their profits have gone up compared to previous years. Here is an example of some of them; the profit of Walmart in 2014 was \$16.4Bn –an increased of 2% since 2013. The profit of the first season of JP Morgan for this year that disclosed on 14/07/15 has gone up by 5.2% and the Electronic Arts predicts the profit of each of its share go up by \$2.85, twice the profit of last year. Amazon online retailers Luxemburg Unit took £5.3bn sale just from British internet shoppers that rose by 14%. . Apple profit for last year increased by 6% to \$39.1bn compared to 2013. Costco profit \$20.6bn, IBM profit is \$12bn, Microsoft profit \$22.1bn increased by 1%, Google \$14.4bn, the profit increased by 11%. Coca-Cola

\$7.1bn and Nike \$2.7bn, was increased by 8%. These are only a few examples among 10 more of the world's top corporations that their profits have gone up on our expenses.

In UK according to a report from Sunday Times of 15/04 that listed down the rich people shows the 1000 wealthiest people in the UK are now worth £547bn, not counting what's in their bank account. The report says "The figure has more than doubled since a total of just under £250bn was recorded in 2005, despite the world economy being gripped by a punishing recession over much of the last decade". The list also includes 117 billionaires – up from 104 last year.

What we see here should not actually shock or surprise us because; first the rate of corporation tax when Winston Churchill was in power was 97%. When Margaret Thatcher came to power it reduced to 60% and under the Labor and then Conservative gradually reduced to 20%. It was just recently disclosed that the taxpayers are handing businesses £93bn a year by subsidizing them and tax break, a transfer of more than £3,500 from each household in the UK. Second the income of ordinary family has since 2008 gone down by 10% and also more than 900,000 people live on food banks. This figure has since last year gone up by 38%. In the meantime the gender pay gap has not closed after 70 years.

While we look at the actual evidence on day to day life with having more than 1.7 million workers on zero-hour contracts, reducing or cutting the benefits, selling the state properties and its assets including social housing , increasing the gap between the poor and the richer, the standard of people's life lower than 5 years ago, the home owners rate from 70% reduced to 64% and the number of eviction in a day reaches more than 1000 , only between July and September of last year the number of evicted rent payers arrived to 11,000 and 2805 mortgage borrowers lost their homes during the quarter. And also it is expected if life goes on like now, the average UK household will be in debt by £10,000 by end of 2016, the number of Housing Benefit claimants have gone up by 500,000 and the working family claiming housing benefit more than doubled between 2009-10 and 2014-15 and now stands at more than 1.1 million, the rate of young unemployment among ethnic minorities went up by 50%, the cost of bringing up a child compare to years before increased by £2,000 , one of five UK earn less than living wage and more....How can you say this crisis is capitalism's crisis not ours? And how can the crisis be "like an earthquake, cause bourgeois society to shake to its very foundations"?

When we have a spirit of defiance and challenge, we do not have to accept anymore of the above. When we resist orders from elites and their states, when we fight back, not surrendering, and believe that we can make changes. When we have the desire and the tendency of rebellion, the consciousness of being used and exploited and, the mentality of resistance that are extremely important for the job to be done. Then, we can freely and loudly say capitalism is in crisis not us.

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